ASEAN, Institutional Change, and Historical Institutionalism

https://www.e-ir.info/2015/10/31/asean-institutional-change-and-historical-institutionalism/

KEI KOGA, OCT 31 2015

The Association of Southeast Asian Nations (ASEAN) has transformed itself into a comprehensive regional institution since its inception in 1967. Whilst the effectiveness of ASEAN has often been debated, such institutional change is quite obvious when we compare ASEAN in 1967, aimed at only economic and socio-cultural cooperation among the five Southeast Asian states—Indonesia, Malaysia, the Philippines, Singapore, and Thailand—with ASEAN in 2015, which has included all 10 Southeast Asian states and had a plethora of ASEAN cooperative frameworks, including the ASEAN Regional Forum (ARF), ASEAN Plus Three (APT), the East Asia Summit (EAS), and the ASEAN Defense Ministers Meeting (ADMM). These changes were particularly visible in the post-Cold War period.

To be sure, this is not a unique phenomenon to ASEAN. Institutions change over time. Some add functional scope and expand membership, while others displace their institutional objectives and focus on a particular issue area. This notion is generally accepted, and the theme, institutional change, has become one of the important subjects in political science. Nevertheless, institutional change has yet to be sufficiently or systematically studied in the International Relations (IR) field, as the mainstream IR theories that are structural/neo-realism, institutionalism, and social constructivism, lack analytical frameworks to comprehensively understand such changes.[1] Structural/neo-realism considers institutions as the byproduct of states' common interests. Thus, institutions change when these common interests also change (Mearsheimer, 1990; Waltz, 2000). Institutionalism argues that institutions change due to environmental change. The reduction of transaction costs and institutional rules/norms created by great powers make institutions more durable (Haftendorn, Keohane & Wallender, 1999; Ikenberry, 2000). For social constructivists, the role of identities created within is the glue that sustains institutions (Ruggie, 1998; Wendt, 1999). While these theoretical frameworks provide a partial response, they do not comprehensively answer why, how, and when institutions change.

Historical institutionalism in the comparative politics field provides a useful analytical approach to understand institutional change in international organization. Its basic framework is based on two main concepts, path dependence and critical junctures (see Capoccia & Kelemen, 2007). Path dependence refers to institutional norms/rules that are ossified through positive feedback generated through members' interaction, becoming difficult to alter. Critical juncture is the certain period of time that breaks such path dependence and creates a new one. These two concepts are useful, because they can provide a broad explanation of why and how institutions change. Positive feedback creates institutional continuity, and when such positive feedback disappears, change occurs.

Yet, another critical question remains: When does a critical juncture emerge? Generally, such a juncture is evaluated in a *post-hoc* manner, and the weakness of the concept lies in its difficulty to articulate "when." Yet, as already employed in literature of public policy, the punctuated equilibrium thesis provides a hint to answer this question. This thesis, originally derived from the evolutionary biology field, emphasizes the importance of "external shock" (or "exogenous shock"), which breaks the historical path to produce radical change (see Eldredge & Gould, 1972, pp. 82-115). In other words, the historically recognized "positive feedback" is likely to be altered to "negative feedback" by an external shock, which propels an institution to transform itself into a different form.

How can we operationalize this broad analytical model to understand changes in international organizations? For the

political security field, by replacing "positive feedback" with the stable distribution of power, and "international institution" with international organization, we can assume that institutional change occurs when an actual or perceptual change in the distribution of power occurs. This strategic turbulence causes member states to reassess the organization's security utility, because a new environment may not sustain its existing utility. The types of member state reassessment of the organization's security utility—positive, negative, and uncertain—lead them to produce certain types of institutional change—institutional consolidation, displacement, and layering. Consolidation strengthens existing political/security functions and norms, displacement replaces existing political/functions and norms, and layering adds new political/security functions and norms on top of existing ones (Streeck & Thelen, 2005, pp. 3-39). At the same time, the specific direction of such institutional change is determined by the competing ideas that the so-called "institutional norm entrepreneurs" (INE) provide during this transition period (Koga, 2012; Koga, 2014).

This analytical model sheds light on ASEAN's recent institutional changes in the post-Cold War period. In the 1990s, ASEAN created ASEAN-led institutions in the Asia-Pacific region, including the ARF and APT (see Koga, 2012). In fact, these institutions were the by-products of ASEAN's institutional change, through institutional layering. For the establishment of the ARF, ASEAN member state expectations of a shift in the regional distribution of power in the Asia Pacific region were formulated immediately after the Cold War, due to the rise of Japan and China, as well as US relative disengagement from Southeast Asia. This triggered member states' reassessment of ASEAN's security utility. Since ASEAN did not have any security function to influence the overall regional "balance of power", its utility remained uncertain. In this context, an INE, ASEAN-ISIS—ASEAN's own track 2 network—proposed the establishment of a regional cooperative security framework with a new institutional norm, ASEAN Centrality. By this, ASEAN retained the right to control the institution through means such as agenda-setting. The idea was then modified and actualized in 1994 through institutional layering.

Likewise, ASEAN member states institutionalized APT to safeguard their economic security in the post-Cold War era. Facing changes in the economic power distribution in East Asia created by the establishment of the Asia-Pacific Economic Cooperation (APEC) forum, US consideration of human rights in its economic/trade policy, and the rise of regional FTAs, such as the North American Free Trade Area (NAFTA), ASEAN member states reassessed ASEAN's utility in international economic negotiations. Although ASEAN had utility in negotiating great powers through the ASEAN-Post Ministerial Conference (PMC), it was still uncertain, as such efforts fell short of sufficiently influencing international negotiations, as shown in the 1991 failure of the Uruguay Round. Given this, Malaysia's Prime Minister Mahathir Mohamad, as an INE, proposed the idea of creating the East Asia Economic Group (EAEG, later called EAEC—East Asian Economic Caucus). Although this idea faced severe criticism within and outside ASEAN, the meeting was held annually within the ASEAN framework and turned into APT in 1997.

In the 2000s, several institutional changes occurred within ASEAN. Among them, EAS was the most notable, because it was the very first institutional framework at the summit level that ASEAN could create in East Asia. The trigger was the perceived shift in the regional distribution of power due to the rise of China and the uncertainty of US commitment following the 1997 Asian Financial Crisis and 9/11. Although the original idea of establishing the "East Asian Summit" as an upgraded version of APT came from the East Asia Vision Group (EAVG), created by South Korean President Kim Dae Jung, member states considered the idea relatively positive given its similar form of cooperative security to ensure regional powers' commitment (see East Asia Vision Group Report, 2001). Yet, as upgrading APT would face a risk of increasing influence of great powers and the erosion of ASEAN centrality, ASEAN began to consider the establishment of EAS as a separate framework (see Malik, 2006; Emmers, Liow & Tan, 2011). In the process of institutional design, some members, such as Malaysia, focused with China on APT membership, and attempted to task EAS as a supplemental role for APT in East Asia's community building. Meanwhile, other members with Japan attempted to include Australia, India, and New Zealand. ASEAN internalized these ideas, and in order to avoid dividing the region into Chinese and American spheres in East Asia, member states took an inclusive approach to prevent any powers from dominating the summit over ASEAN, creating a new cooperative security framework in the region.

As such, this analytical model sheds light on why, how, and when ASEAN member states have conducted institutional changes. Because they perceived strategic uncertainty in East Asia from the end of the Cold War, they

were more likely to conduct institutional layering to enhance ASEAN's security utility, resulting in the establishment of the ARF, APT, and EAS. That said, it is important to note that the above examples are not exhaustive, and there can be multiple institutional changes simultaneously. For example, during the 1990s, ASEAN member states conducted institutional consolidation by expanding its membership to non-ASEAN states in Southeast Asia, namely Cambodia, Laos, Myanmar, and Vietnam. Stability in Indochina in the post-Cold War era contributed to ASEAN member states' positive perception towards these states, leading to their inclusion.

So, what can we understand from these institutional changes in ASEAN? Again, as many scholars have already pointed out, ASEAN's institutional changes do not necessarily mean that the institution has become better at solving regional problems. On the contrary, most cases illustrate that ASEAN has yet to have an effective problem-solving capability. Nevertheless, such a capability may not be ASEAN's institutional objective. Here, the analysis contributes to the understanding of what these institutions are and what they are not, by showing institutional continuity and change.

Throughout its institutional changes in the post-Cold War period, ASEAN has continuously attempted to ensure its member states' security interests, particularly national independence, prevention of political marginalization, and regional autonomy from great power politics. The institutional norm of ASEAN Centrality is a case in point. To ensure these interests, ASEAN does not play pure "balance-of-power" politics, due to the limited military and economic capabilities of member states. Instead, through political alignment, member states can maintain policy options to adjust their political distance from each regional great power at any given point in time, as if they played a role of a quasi-balancer. However, their behavior is ultimately based on ASEAN's core political/security interest.

ASEAN's reaction to the Asian Infrastructure Investment Bank (AIIB) is illustrative. Too often, AIIB is seen as a challenge or even a threat to ASEAN Centrality, given China's leading role in the institution. It is reasonable to assume, considering ASEAN's previous negative reactions to the potential consolidation of APEC and the functional expansion of the Six-Party Talk, that it would politically marginalize ASEAN. However, ASEAN's past institutional changes show that ASEAN Centrality persists on the basis of member states' motivation to prevent political marginalization. As long as ASEAN can prevent it, member states do not react negatively. Indeed, as AIIB's geographical scope extends to not only Southeast Asia but also wider Asia, including Central and Southwest Asia, this scope does not conflict with ASEAN's interest. In other words, a central role that ASEAN has been playing in East Asia will not be threatened. Essentially, ASEAN's motivation for such a central role does not come from its desire to lead, but its desire to protect.

Understanding the causes and processes of institutional change is important to grasp not only the possibility and limitation of ASEAN's institutional change, but also ASEAN's reaction to a particular international event. It is certainly better for East Asia if ASEAN enhances its problem-solving capabilities in the region. However, such function remains its second-tier objective, unless the problems impede member states' fundamental political/security interests. Accordingly, the analytical model presented here can contribute by providing a useful tool for examining institutional changes and its nature.

Notes

To be sure, there are plenty of studies on institutional change in the North Atlantic Treaty Organization (NATO). However, the majority of these studies solely focused on NATO and did not focus on other institutions, particularly those organizations that do not include world great powers, such as ASEAN, the Economic Community of the West African States (ECOWAS), the Southern African Development Community (SADC), the South Asian Association for Regional Cooperation (SAARC), Mencosur, Arab League, and the Gulf Cooperation Council.

References

Capoccia, Giovanni and Kelemen, R. Daniel. (2007) 'The Study of Critical Junctures: Theory, Narrative, and Counterfactuals in Historical Institutionalism,' *World Politics*, 59(3), 341-69.

East Asia Vision Group Report (2001) *Towards an East Asian Community: Region of Peace, Prosperity and Progress*.

Eldredge, Niles and Gould, Stephen. (1972) 'Punctuated Equilibria: An Alternative to Phyletic Gradualism.' In Schopf, T.J.M. ed. *Models in Paleobiology*. Cooper & Co, San Francisco.

Emmers, Ralf, Liow, Joseph Chinyong and Tan, See Seng (2011) 'The East Asia Summit and The Regional Security Architecture," *Maryland Series in Contemporary Asian Studies*, No. 3-2010(202).

Haftendorn, Helga, Keohane, Robert and Wallender, Celeste. (1999) *Imperfect Unions: Security Institutions Over Time and Space*. Oxford: Oxford University Press.

Ikenberry, John. (2000) *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order After Major Wars* . New Jersey: Princeton University Press.

Koga, Kei (2014) 'Institutional Transformation of ASEAN: ZOPFAN, TAC, and the Bali Concord I in 1968-1976,'*The Pacific Review*, 27(5), 729-753.

Koga, Kei (2012) 'The Process of ASEAN's Institutional Consolidation in 1968-1976: *Theoretical Implications for Changes of Third-World Security Oriented Institution*,' *RSIS* Working Paper, No. 234.

Koga, Kei (2012) 'Explaining the Transformation of ASEAN's Security Functions in East Asia: The Cases of ARF and ASEAN+3," *Asian Regional Integration Review*, 4, 1-27.

Malik, Mohan (2006) 'China and the East Asian Summit: More Discord Than Accord," *Asia-Pacific Center for Security Studies*, February.

Mearsheimer, John. (1990) 'Back to the Future: Instability in Europe after the Cold War.' *International Security*, 15(4), 5-56.

Ruggie, John. (1998) 'What Makes the World Hang Together? Neo-Utilitatrianism and the Social Constructivist Challenge,' *International Organization*, 52(4), 855-885.

Streeck, Wolfgang and Thelen, Kathleen. (2005) 'Introduction: Institutional Change in Advanced Political Economies.' In Streeck, Wolfgang and Thelen, Kathleen ed. *Beyond Continuity: Institutional Change in Advanced Political Economies*. Oxford and New York: Oxford University Press.

Waltz, Kenneth. (2000) 'Structural Realism after the Cold War.' *International Security*, 25(1), 5-41.

Wendt, Alexander. (1999) *Social Theory of International Politics*. Cambridge: Cambridge University Press.

About the author:

Kei Koga is an assistant professor at the School of Humanities and Social Sciences, Nanyang Technological University. His recent publications include "Preparing for Future Disasters: Strategic Assistance and the U.S.-Japan Alliance: The National Bureau of Asian Research" [co-authored] (NBR Report, 2015) and "The Yasukuni question: histories, logics, and Japan–South Korea relations" (The Pacific Review, 2015). He is the author of the forthcoming book, Reinventing Regional Security Institution: Power Shifts, Ideas, and Institutional Change in Asia and Africa.